



Revision of ISSAI 30 – Code of Ethics

Project proposal to the Steering Committee of the INTOSAI Professional Standards Committee

Bahrain, 20-22 May 2014

1. Background

At its meeting in June 2013 in Stockholm, the Steering Committee of the Professional Standards Committee (PSC) decided that a review of ISSAI 30 – Code of Ethics (endorsed in 1998) should be commenced, in accordance with the maintenance frequency.

A team has been established to carry out the ISSAI 30 review project, composed of the Supreme Audit Institutions of the following countries that volunteered to participate in the project: Indonesia, Poland (project leader), Portugal, the United Kingdom and the United States.

2. Initial Assessment

The first stage of the project was an initial assessment, i.e. a judgement on whether ISSAI 30 is fit for purpose in the current public sector auditing world, or whether it needs an update, and – if so – how extensive such an update should be.

In order to determine whether the INTOSAI Code of Ethics needed a revision, an opinion of the whole INTOSAI community was deemed necessary. Therefore an online survey was developed by the ISSAI 30 Review Team and distributed in late February 2014. Each SAI was requested to complete the survey only once. The survey was closed at the beginning of April 2014. By that date, 69 complete answers had been received.

At its meeting in Warsaw on 8-9 May, the ISSAI 30 Review Team analysed and compiled the survey results. The results of the analysis have been comprised in the document *Survey on ISSAI 30 Revision: Summary of Results*, which is an annex to this project proposal. A further annex is the opinions on the review of ISSAI 30, provided by participants of the EUROSAI Seminar on Enhancing Ethics within Supreme Audit Institutions, held in Lisbon, in January 2014. The conclusions included in this document are in line with those of the survey.

The Team **decided to recommend the PSC Steering Committee a revision of ISSAI 30** and to prepare a project proposal for the revision.

3. Scope and Purpose

The scope of the project is to revise ISSAI 30 – Code of Ethics, and related Notes, as applicable, in accordance with the results of the initial assessment.

The objective of the revision is to make the standard more useful to SAIs and to make it meet the challenges of the current public audit environment.

The revision would focus on the following areas:

- shifting from the perspective of an individual auditor to the SAI perspective, with due consideration to stakeholders,
- emphasising the importance of ethical culture and principles as a means of preventing unethical behaviour,
- consistency with other ISSAIs,
- reviewing fundamental principles and core values; considering consistency with IFAC principles and additional public sector principles,
- considering monitoring compliance with ethical requirements, and inclusion of ethics management and control,
- updating terminology,
- improving clarity of the document through consistent headings/numbering/paragraphs etc.

The project will also consider the need for developing additional guidance on implementation of ISSAI 30. In the process of updating ISSAI 30, a recommendation will be made to the PSC Steering Committee on how to meet the need for more detailed guidance and good practice examples.

4. Work Programme

The draft work programme of the ISSAI 30 revision would be divided into the following phases:

Phase 1 – Concept and design, including fundamental principles	September 2014 (review team meeting)
Phase 2 – Drafting the document	By end April 2015
Phase 3 – Discussion on the draft and consensus on exposure draft	May 2015 (review team meeting)
Phase 4 – Developing the final draft	By July 2015

Expected time frame for the Due Process

Exposure draft ready – approval by the ISSAI 30 Revision Team	July 2015
Approval by the PSC Steering Committee	September 2015
Exposure draft posted on www.issai.org	Mid-October 2015 – mid-January 2016
Publication of comments on www.issai.org	End January 2016
Comments introduced to the exposure draft	February – May 2016
Approval by the PSC Steering Committee	May/June 2016
Translation of the draft into INTOSAI official languages	June – August 2016
Approval of the endorsement version by the INTOSAI Governing Board in Abu Dhabi	October 2016
Approval by INCOSAI in Abu Dhabi	October 2016

5. Resources and Budget

Resources will be provided by participating SAIs who will meet all costs associated with their participation. It will be for each participating individual SAI to assess and manage the resource implications of participation in this project. Translations will be dealt in the same manner or, wherever possible, they will be done by participating SAIs.

6. Project Management and Governance

It is likely that the members of the team tasked with the initial assessment will continue. These members were from the SAIs of the following countries: Indonesia, Poland (leader), Portugal, the United Kingdom and the United States. An enlargement of the membership would be welcome, particularly from regions not yet represented.

The working language of the project is English.

7. Due Process Considerations

In accordance with the Due Process, the revision of the existing ISSAIs related to their substance, such as insertion/deletion of sections, changes in key terminology, etc. – which will be the case of ISSAI 30 revision – must follow the Due Process for developing new standards.